

City of Columbia

Sewer Ordinance

Review and Recommendations

Presented by
Bill Weitkemper, PC
October 22, 2010

The city's inability to find a solution to sewer billing problems has been discussed more than any other city issue in the past thirteen months. There have been several articles in the Tribune, including seven HJW III editorials, a series of articles in the Columbia Heartbeat, the introduction, tabling and defeat of Council Bill B22-10, a consultants report and the appointment of a Sewer Task Force.

However, city administration has been wrestling with how to fix sewer billing problems since March 2006. I have asked both the Public Works Director and the City Manager on numerous occasions if I could help city staff find solutions to the problems that have prevented the sewer ordinance from being properly administered. Each time I asked if I could help, I was told my assistance was not needed.

Thank you for giving me this opportunity.

When speed and accuracy collide, always let accuracy be your guide.

When being fair and being easy collide, always let being fair be your guide.

The Sewer Ordinance must be:

1. Fair and Equitable
2. Acceptable to the Community
3. Administered Correctly and Consistently

In March 2006 I advised the Public Works Director that the sewer base charge was not being correctly billed. The only sewer users that were being billed a sewer base charge were sewer users that had a water meter. Sewer users that were not independently metered for water were not being billed a sewer base charge.

I indicated that because the water ordinance allowed property owners to install master water meters, rather than individual water meters, there could be over 6,000 residential sewer users that were not being charged a sewer base charge because they did not have a water meter.

I also indicated the University of Missouri was not being charged appropriately.

In March 2008 the owners of approximately 3400 apartment and duplex units were informed that they would soon be billed an additional sewer base charge for each unit they owned that obtained water from a master water meter. (This was approximately half of the apartment and duplex units that were not being charged a sewer base charge)

In July 2008 the University of Missouri agreed to increase the University's monthly sewer base charge from \$4.35 a month to \$50,000 a month, over a period of ten years. This increase was based on a consultants recommendation that the University was discharging wastewater equivalent to 8,100 Residential customers. (Up until this time the University had been charged a single sewer base charge, apparently because the University campus was supplied water by the University's private water wells)

In January 2009 several mobile home park owners were notified that they would soon be billed an additional sewer base charge for each mobile home pad in their mobile home park that was provided water by a master water meter. This amounted to approximately 1600 mobile home pads.

Then in January 2010 the City Manager decided that sewer billing should not be done according to the sewer ordinance. He apparently felt the sewer ordinance should be changed to support how sewer billing was being done prior to March 2008 and introduced Council Bill B22-10.

The way sewer billing was done prior to March 2008 was easy to administer but it was certainly not a fair or equitable way to identify and charge sewer users, as shown on page six. B22-10 was unacceptable and was unanimously defeated.

Section 22-263 (b) (1) of the sewer ordinance says it best: *"Each user of the wastewater system of the city shall pay for the use of such system"*

There may be as many as 13,475 users of the city's wastewater system that are not individually metered for water. The source of the water these 13,475 sewer users use to flush the toilet is irrelevant to the cost of operating and maintaining the wastewater system.

Every sewer user should be charged a sewer base charge.

SEWER USERS THAT ARE NOT INDIVIDUALLY METERED FOR WATER

Residential premises identified to date	6,425
Duplexes	
Apartment Buildings	
Mobile Home Parks	
Apartment Complexes	
Retirement Apartments	
Housing Authority Apartments	
Residential premises not yet identified (estimate)	1,000
Commercial premises not yet identified (estimate)	2,000
Retail Stores	
Mall Stores	
Professional Offices	
University of Missouri	4,050
It is not known what the University should pay for sewer service. For now let's use the midpoint between the single base charge the City Manager claims the University should pay and the 8,100 base charges the University agreed to pay.	
Total	13,475

13,475 sewer users X a minimum \$7.00 base charge
X 12 months = \$1,131,900.

Revenue that the Sewer Utility is not collecting
that should be collected.

STEPS TO TAKE TO CORRECT THE PROBLEM

(Existing sewer ordinances are shown in italics)

Section 22-262 Classification of users.

(a) All users of the wastewater treatment system are hereby classified in the following manner:

(1) Residential. Any premises served, upon which is located a structure housing one or two (2) families.

(2) Public authority. Any governmental, educational, municipal or institutional user of the system.

(3) Commercial and industrial. All users of the system other than those above classified.

Discussion:

At the present time there are residential premises in each of the three user classifications. Single family homes and duplexes are classified as residential. Buildings with three or more residential apartments are classified as Commercial. The University, which is the only Public authority user, also owns residential property. Wholesale use is not mentioned in the sewer ordinance.

Recommendation:

Revise the User Classifications:

(1) Residential - shall include all residential use, including residential premises and residential accessory premises such as rental/management office, club house, on-site laundry, maintenance shop, etc.

(2) Non-Residential - shall include all use other than residential and wholesale use.

(3) Wholesale - shall include all wholesale use (sewer agreements with the Boone County Regional Sewer District)

Section 22-210 Definitions.

Discussion:

The Sewer Ordinance does not define a Residential Premises or a Non-Residential Premises

Recommendation:

Add the following definitions:

Residential Premise. A building or portion thereof designated or used for residential occupancy, including but not limited to, such units when constituting or a part of one-family, two-family, and multiple-family dwellings, boarding and lodging houses, apartment houses and apartment hotels, but not hotels or motels, except where the units are occupied by the same individual or group of individuals for thirty (30) days or more. (The above definition, minus a kitchen, was taken from *Section 27-36 Definitions* of the water ordinance)

Non-Residential Premise. A building or portion thereof used for any purpose other than residential occupancy.

(The following are examples of a non-residential premise: Store, restaurant, hotel, motel, market, any professional office, recreational facility, laundry, dry cleaner, mortuary, factory, church, school, university, theater, auditorium, nursing home, day care, hospital, etc.)

Minimum Monthly Charge

Discussion:

Although the sewer ordinance does not state that there should only be a charge for sewer service when the water meter serving a premises is on that has been the practice.

City Ordinance Section 27-18 Service fees allows for charging a minimum charge at any location where a utility service is provided. This should allow for not only charging a sewer base charge when a premises is vacant but still connected to the sewer system but it should also allow for charging a minimum water charge for any premises provided city water through a master water meter.

(d) Minimum monthly charges. Minimum monthly charges established in this Code for utility services (water, electric and sewer service) shall be assessed for each location where the utility service is provided.

The BCRSD charges a sewer base charge from the time a premises is connected to the sewer system until the premises is disconnected from the sewer system, regardless if the premises is occupied or vacant.

It would not only make sewer billing much easier if the base charge was a continuous charge but this should be able to be justified since few owners would risk disconnecting the sewer service connection just to avoid paying the sewer base charge. A working sewer connection protects a structure from water damage and the sewer system must be maintained.

Recommendation:

There should be a minimum monthly sewer service charge from the time a premises is connected to the sewer system until the premises is disconnected from the sewer system, regardless if the premises is occupied or vacant. (The minimum monthly service charge could be equal to or less than the base charge)

Owner Liability for Sewer Charges**Discussion:**

The City's storm water ordinance (12A-151) holds the property owner responsible for all storm water charges not paid by an occupant of the property.

The BCRSD holds the property owner responsible for all sewer charges not paid by an occupant of a premise.

Holding the owner of the property responsible for sewer charges for the property seems reasonable and should be considered just another cost of doing business.

Recommendation:

The owner should be responsible for all sewer charges.

The owner should be able to request that the sewer base and volume charge be billed to the occupant of a premises that is independently metered for water.

The owner should be able to request that the sewer base charge be billed to the occupant of a premises that is independently metered for electricity.

Winter Quarter Average Sewer Volume Billing

Section 22-263 Charges for sewage service.

(b) The monthly charges for residential and public authority customer classifications shall be based on the average monthly billing of water usage during the immediate preceding calendar months of January, February and March..... Commercial and industrial charges shall be based on one hundred (100) per cent of the monthly metered water used, except as otherwise provided in this Code.

Discussion:

Winter quarter average monthly sewer volume billing should only be available to single and two family residential premises that are independently metered for water. Winter quarter average billing is intended to allow for outside water use in the non-winter months. Residential users in multi-family buildings do not typically have any outside water use. Non-residential users with outside water use are presently required to install separate meters to account for outside water use. In order to qualify for winter quarter average volume billing a user should not be allowed to have no usage in any month.

Recommendation:

Revise as follows,

(b) The monthly charges for single and two family residential premises that are independently metered for water shall be based on the average monthly billing of water usage during the immediate preceding calendar months of January, February and March. Where such basis is not considered representative of sewage discharge the provisions of section 27-19 of this Code or any other reasonable basis of estimating sewage discharge from such customers may be used. All other sewer volume charges shall be based on one hundred (100) per cent of the monthly metered water used, except as otherwise provided in this Code.

Fixed Rate and Meter Capacity Base Charges

Section 22-263 Charges for sewage service.

(b) (1) Basic sewage service charge. Each user of the wastewater system of the city shall pay for the use of such system monthly sewage service charges based on the following rates:

Discussion:

The base charge should be determined in the same manner that the sewer connection fee is determined. (see Section 22-264 Connection fees on page 15) The residential base charge should be a fixed rate base charge. The non-residential base charge should be based on the capacity of the water meter and charged to the water meter account supplying water to the premises according to the following table. This will adjust the base/volume charge ratio close to the desired 25/75% ratio.

[During my presentation I indicated that each non-residential premises, as defined on page 7, that was not individually metered for water should also be charged a minimum base charge.]

There should be no change in how the volume charge is billed but the volume charge rate will have to be increased to make up for the reduced base charge revenue.

Recommendation:

Classification	Monthly Base Charge
Residential user	\$ 3.89
Non-residential user with a 5/8 or 3/4 inch meter	3.89
1 inch water meter	12.91
1 $\frac{1}{2}$ inch water meter	25.93
2 inch water meter	41.49
3 inch water meter	82.99
4 inch water meter	129.67
6 inch water meter	788.00

The following reflects how including non-metered residential users and establishing a meter based non-residential base charge would affect rates and revenue.

Pre 2008 Sewer Billing revenue allocation

	Users	\$7.00/mo Base	Volume	Total
Residential	43,616	\$ 3,663,744	\$ 3,542,939	\$7,206,683
Comm/Ind	4,184	351,456	2,312,587	2,664,043
MU	1	84	657,691	657.775
Total	47,982	\$ 4,015,284	\$ 6,513,217	\$ 10,528,501
Base Charge 38% Volume Charge 62%				

Recommended Sewer Billing revenue allocation

	Users	\$3.89/mo Base	Volume	Total
Residential				
Metered	43,616	\$ 2,035,994	\$ 3,950,119	\$5,986,113
Master Metered	6,425	299,919		299,919
Non-Residential		Meter Base		
General	4,184	830,271	2,577,743	3,408,014
MU	182 *	101,069	733,386	834,455
Total	54,407	\$ 3,267,253	\$7,261,248	\$ 10,528,501
Base Charge 31% Volume Charge 69%				

* These 182** accounts must be audited to determine the number of residential accounts. One account that is known to be shown incorrectly classified is the account for the Manor House at 306 Hitt Street. The Manor House has 78 apartments and should be classified as a residential account and charged a base charge of \$3.89 per apartment for a total base charge of \$3,641.04 a year rather than being classified as a non-residential account and charged a three inch meter capacity base charge of \$995.88 a year.

*[**It was determined later the University actually had 170 bulk accounts]*

Non-Residential Meter Capacity Base Charge Revenue

General	# Meters	Rate	Revenue
3/4 and 5/8 Inch Meters	2,399	\$ 3.89	\$ 111,985
1 Inch Water Meters	961	12.97	148,878
1.5 Inch Water Meters	314	25.93	97,704
2 Inch Water Meters	409	41.49	203,633
3 Inch Water Meters	52	82.99	51,786
4 Inch Water Meters	31	129.67	48,237
6 Inch Water Meters	18	778.00	168,048
Total	4,184		\$ 830,271

University of Missouri	# Meters	Rate	Revenue
5/8 or 3/4 Inch Meters	13	\$ 3.89	\$ 607
1 Inch Meters	55	12.97	8,521
1.5 Inch Meters	25	25.93	7,779
2 Inch Meters	67	41.49	33,358
3 Inch Meters	11	82.99	10,955
4 Inch Meters	8	129.67	12,448
6 Inch Meters	3	778.00	28,800
Total	182		\$ 101,069

Identifying Sewer Users

Identifying sewer users is not always easy but it would be much easier if as much time were spent trying to find a way to do it as has been spent trying to make excuses for why it can't be done.

Just remember the following sentence with ten two letter words:
If it is to be it is up to me!

There are many ways to identify sewer users.

Sewer users can be identified through water and electric meters even though the water ordinance allows both residential and non-residential master water meters and the electric ordinance only requires residential dwelling units to have a separate electric meter.

Sewer users could be identified (both added and subtracted) when building permits are issued. Since the city's wastewater system extends outside the city limits an arrangement will have to be made with Boone County to identify city sewer users when building permits are issued.

Sewer users can be identified through the city's rental property inspection program.

If all else fails there is always the tried and true way of knocking on doors.

Section 22-264 Connection fees.

(a) The following definitions apply to this section:

Expanded user of the wastewater system means the owner or occupant of property that has previously been connected to the wastewater system who is increasing the size or number of water meters serving the property.

New user of the wastewater system means the owner or occupant of property that is being connected to the wastewater system for the first time.

(b) Each new residential user of the wastewater system shall pay a wastewater system connection fee of eight hundred dollars (\$800.00) per residential unit. All other new users of the wastewater system shall pay a wastewater system connection fee based on the size of the water meter that shall serve the property in accordance with the following table:

<i>Size of water meter</i>	
<i>Inches</i>	<i>Connection fee</i>
<i>5/8 and 3/4</i>	<i>\$ 800.00</i>
<i>1</i>	<i>1422.00</i>
<i>1 1/2</i>	<i>3,200.00</i>
<i>2</i>	<i>5,689.00</i>
<i>3</i>	<i>12,800.00</i>
<i>4</i>	<i>22,756.00</i>
<i>6</i>	<i>51,200.00</i>

SUMMARY OF RECOMMENDATIONS

Revise the User Classifications

Define a Residential Premises

Define a Non-Residential Premises

Establish a Minimum Monthly Sewer Service Charge

Hold the Owner Liable for Unpaid Sewer Charges

**Limit Winter Quarter Average Volume Billing
to Single and Two Family Premises**

Establish a Fixed Sewer Base Charge for Residential Users

**Establish a Water Meter Capacity Based Sewer Base Charge
for Non-Residential Users**

Establish a Procedure to Identify Sewer Users